

Fast Facts on the California Economy

Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy
Assemblymember Sabrina Cervantes, Chair

California Gross Domestic Product (GDP)

- California had a \$3.1 trillion economy in 2019. Compared to GDP of nations, this ranks California's 2019 GDP as 5th largest in the world.¹
- Real GDP decreased in all 50 states (-31.4%) in the second quarter of 2020. California real GDP in the second quarter was down -31.5%.²
- New business applications, considered a leading indicator, were up 44.3% at the end of September 2020, as compared to the same time period in 2019.³

Firms, Employment, and Wages

- There were 3,453,769 establishments in California that had no employees in 2018, representing 78.3% of all establishments in California (4,408,401 in total). These nonemployer businesses received \$189.3 billion in revenues. There were 954,632 establishments that employed 15,223,664 workers and paid over \$1 billion for payroll in 2018.⁴
- 2017 is the most recent data available by state and size of business by employment. Of the 763,803 employer firms (including 941,377 total establishments), 62% had 1 to 4 employees, 88.6% had less than 20 employees, 97.3% had less than 100 employees, and 99.1% had less than 500 employees (federal small business definition). Approximately 6,345 firms in California had 500 employees or more.⁵
- There were 18.7 million workers in the California labor force in August 2020 with 16.5 million individuals employed, a month-over increase of 291,000 jobs (1.8%). This represents a decrease of over 2 million jobs (-11.2%) over the prior 12-month period.⁶
- Nonfarm employment decreased in all 11 industry sectors between August 2019 and August 2020. Year-over decreases based on number of jobs are as follows: leisure and hospitality employment fell by 633,000 jobs (-31.2%); trade, transportation, and utilities fell by 208,300 jobs (-6.8%); professional and business services fell by 159,200 jobs (-5.8%); education and health services fell by 135,600 jobs (-4.8%); other services fell by 127,900 jobs (-22.1%); government fell by 123,300 jobs (-4.7%); manufacturing fell by 99,600 jobs (-7.6%); information fell by 52,100 jobs (-9.3%); construction fell by 52,000 jobs (-5.8%); financial activities fell by 6,200 jobs (0.7%); and mining and logging fell by 1,000 jobs (-4.4%).⁷
- California exported \$173.3 billion in goods in 2019 to over 225 foreign markets, representing 10.5% (\$1.6 trillion) of total US exports.^{8 9 10} California's largest export market in 2019 was Mexico (\$27.8 billion), followed by China and Hong Kong (\$24.2 billion) and Canada (\$16.6 billion).¹¹ California imported \$408.1 billion in products from other countries, accounting for 16.3% of total US imports in 2019. China (\$129.3 billion) and Mexico (\$46.7 billion) are the state's largest import markets.¹²
- California's 2019 median household income was \$80,444 for all households (\$68,703 for US) and \$51,676 for nonfamily households.¹³ 11.8% of Californians households (12.3% in the US) lived on incomes at or below the federal poverty designation in 2019.¹⁴ Using the federal Supplemental Poverty Measure, which accounts for the cost of living using a range of family needs and resources, 17.2% of Californians (12.5% for US) had income insufficient to meet their basic housing needs.¹⁵ An estimated 151,278 individuals experienced homelessness in 2019, based on the single-night survey method.¹⁶

Future California Job Market

- The Employment Development Department estimates that between 2016 and 2026 total civilian employment (including self-employment, farm employment, and private household workers) will reach 19.7 million, an increase of 1.9 million jobs (10.7%) over the 10-year projected period of 2016-2026. The chart on the next page displays details of this estimate.¹⁷

Projected Job Growth in Employment 2016-2026 (ranked by number of jobs and including new and replacement jobs)

	Industry Sector	Percent Change	Increase in Jobs		Industry Sector	Percent Change	Increase in Jobs
1	Educational Services, Health Care, and Social Assistance	23.9%	607,400	7	Information	14.6%	76,600
2	Professional and Business Services	11.1%	280,200	8	Other Services (excludes private household services)	10.1%	55,900
3	Leisure and Hospitality	13.3%	252,300	9	Financial Activities	5.2%	42,600
4	Trade, Transportation, and Utilities	6.7%	200,000	10	Total Farm	3.5%	15,000
5	Construction	20.5%	158,600	11	Manufacturing	0.1%	1,300
6	Government	4.6%	116,100	12	Mining	-8.0%	-1,800

August 2020 Unemployment

- In August 2020, the California seasonally adjusted unemployment rate was 11.4%, which represents a decrease of 2,344,700 jobs from the prior month. This unemployment rate represents approximately 2.1 million unemployed workers with a labor force participation rate of 59.9%.¹⁸ Over the same period, the comparable national unemployment rate was 8.4%.¹⁹
- The unemployment rates in all 58 counties decreased in August 2020. The counties with the highest non-seasonally adjusted unemployment were Imperial (22.9%) and Los Angeles (16.6%). The lowest unemployment rates in California in August 2020 were Lassen County (6.7%), Modoc (7.0%), and Trinity (7.0%). The comparable non-seasonally adjusted state unemployment rate for August 2020 was 11.6%.²⁰
- The highest unemployment rates in August 2020 by race and ethnicity were among individuals identified as Hispanic (9.3%), black (10%), and white (8.0%). The comparable state non-seasonally adjusted 12-month moving average unemployment rate was 8.3%.²¹
- The majority (83%) of employed individuals in August 2020 reported working full time. There were 967,000 persons in California who worked part time involuntarily, comprising 4.0% of all employed workers during the survey week.²² California's labor participation rate was 59.9% in August 2020, meaning over 12 million people were not participating in the labor force. Individuals not in the labor force have increased by 314,000 from August 2019.²³
- By age group, the highest unemployment group in August 2020 were workers 16 to 19 years of age (21.5%).²⁴ The largest group of unemployed persons, when sorted by duration, were individuals unemployed for less than five weeks, which represented 652,000 individuals (40.9% of all unemployed).²⁵

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¹ Department of Finance, CA World Ranking 2019, http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/, accessed October 3, 2020

² US Bureau of Economic Analysis, <https://www.bea.gov/news/2020/gross-domestic-product-third-estimate-corporate-profits-revised-and-gdp-industry-annual> accessed October 3, 2020

³ US Census; <https://www.census.gov/econ/bfs/index.html>? Accessed October 3, 2020

⁴ 2018 U.S. and State Industry Totals Data, Statistics of U.S. Businesses, U.S. Census <https://www.census.gov/data/tables/2018/econ/nonemployer-statistics/2018-combined-report.html> accessed October 3, 2020

⁵ US Census Bureau; 2017 data <https://www.census.gov/data/tables/2017/econ/susb/2017-susb-annual.html> October 3, 2020

⁶ EDD, Labor Market Review, August 2020, <https://www.labormarketinfo.edd.ca.gov/pub/california-labor-market-publications.asp> accessed October 3, 2020

⁷ EDD, Labor Market Review, August 2020, <https://www.labormarketinfo.edd.ca.gov/pub/california-labor-market-publications.asp> accessed October 3, 2020

⁸ <http://tse.export.gov/TSE/TSEHome.aspx> United States Census Bureau, "State Exports via California," accessed March 11, 2020 and the CIA Fact Book, accessed March 8, 2020.

⁹ CalChamber, <https://advocacy.calchamber.com/international/trade/trade-statistics/>, accessed March 11, 2020

¹¹ <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Admin; "2019 NAICS Total All Merchandise Exports from California," accessed May 26, 2020

¹² U.S. Census "State Imports California 2019", <http://tse.export.gov/stateimports/TSIReports.aspx?DATA=>, accessed 3/11/2020

¹³ U.S. Census "Household Income: 2019 ACS one-year average" <https://www.census.gov/acs/www/data/data-tables-and-tools/> accessed Oct 6, 2020.

¹⁴ U.S. Census "Poverty Rate 2019" based on 1-year ACS <https://www.census.gov/acs/www/data/data-tables-and-tools/> accessed Oct 6, 2020

¹⁵ U.S. Census, "Supplemental Poverty Rate 2019" based on 3-year ACS, <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p60-272.pdf>, accessed Oct 6, 2020

¹⁶ U.S. Department of Housing and Urban Development, Annual report to Congress on homelessness, https://www.hud.gov/press/press_releases_media_advisories/HUD_No_19_177 accessed 1.3.2020

¹⁷ EDD, Industry Projections 2016-2026, <https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html> accessed March 8, 2020

¹⁸ EDD, Labor Market Review, August 2020, <https://www.labormarketinfo.edd.ca.gov/pub/california-labor-market-publications.asp> accessed October 3, 2020

¹⁹ EDD, Labor Market Review, August 2020, <https://www.labormarketinfo.edd.ca.gov/pub/california-labor-market-publications.asp> accessed October 3, 2020

²⁰ EDD, Labor Market Review, August 2020, <https://www.labormarketinfo.edd.ca.gov/pub/california-labor-market-publications.asp> accessed October 3, 2020

²¹ EDD, Labor Market Review, August 2020, <https://www.labormarketinfo.edd.ca.gov/pub/california-labor-market-publications.asp> accessed October 3, 2020

²² EDD, Labor Market Review, August 2020, <https://www.labormarketinfo.edd.ca.gov/pub/california-labor-market-publications.asp> accessed October 3, 2020

²³ EDD, Labor Market Review, August 2020, <https://www.labormarketinfo.edd.ca.gov/pub/california-labor-market-publications.asp> accessed October 3, 2020

²⁴ EDD, Labor Market Review August 2020, <https://www.labormarketinfo.edd.ca.gov/pub/california-labor-market-publications.asp> accessed October 3, 2020

²⁵ EDD, Labor Market Review, August 2020, <https://www.labormarketinfo.edd.ca.gov/pub/california-labor-market-publications.asp> accessed October 3, 2020